



Vector Transmission Capacity Workshop

15 September 2010

Agenda

| Topic | Discussion led by: |
|--|------------------------------|
| 1. Objective | Ian Wilson |
| 2. Evaluation criteria, costs and benefits | Dave Smith (Creative Energy) |
| 3. Description of options | Dave Smith |
| 4. Consideration of each option | Dave Smith |
| 5. Next steps | Melanie Strokes |

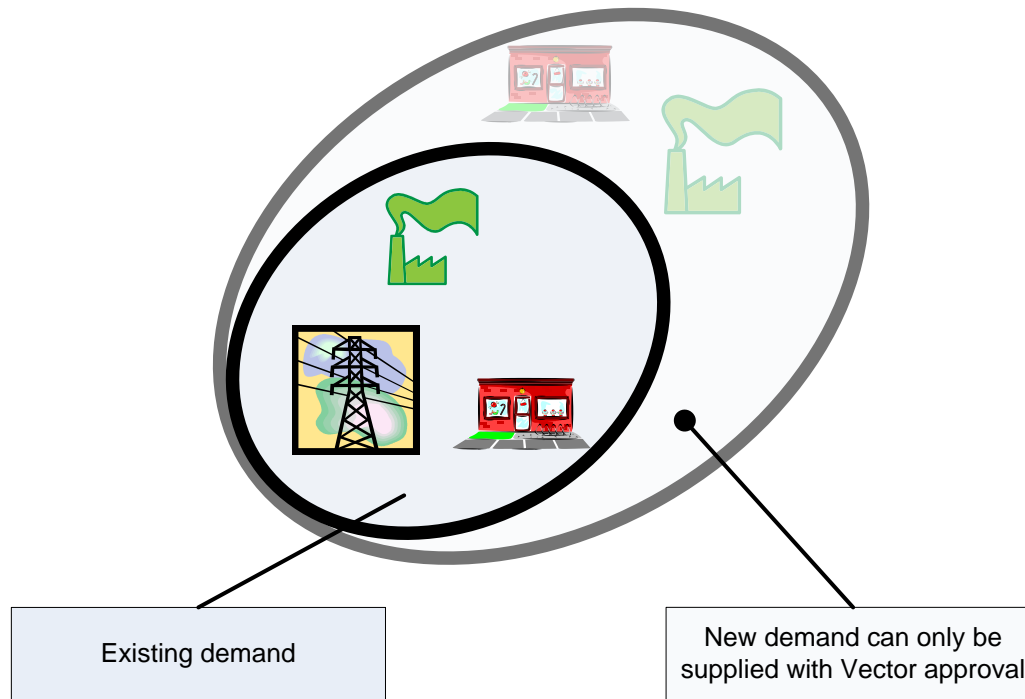
1. Objective

- **The objective of today's workshop is:**
 - Discuss competition issue
 - Identify options to address competition issue:
 - Gas Industry Co may recommend regulations to achieve the Gas Act objectives that:
 - barriers to competition in the gas industry are minimised (43ZN(b)(ii))
 - delivered gas costs and prices are subject to sustained downward pressure (43ZN(b)(iv))
 - Shippers and/or Vector can promote non regulated options
 - Provide Gas Industry Co with accelerated information gathering opportunity

1. Objective (continued)

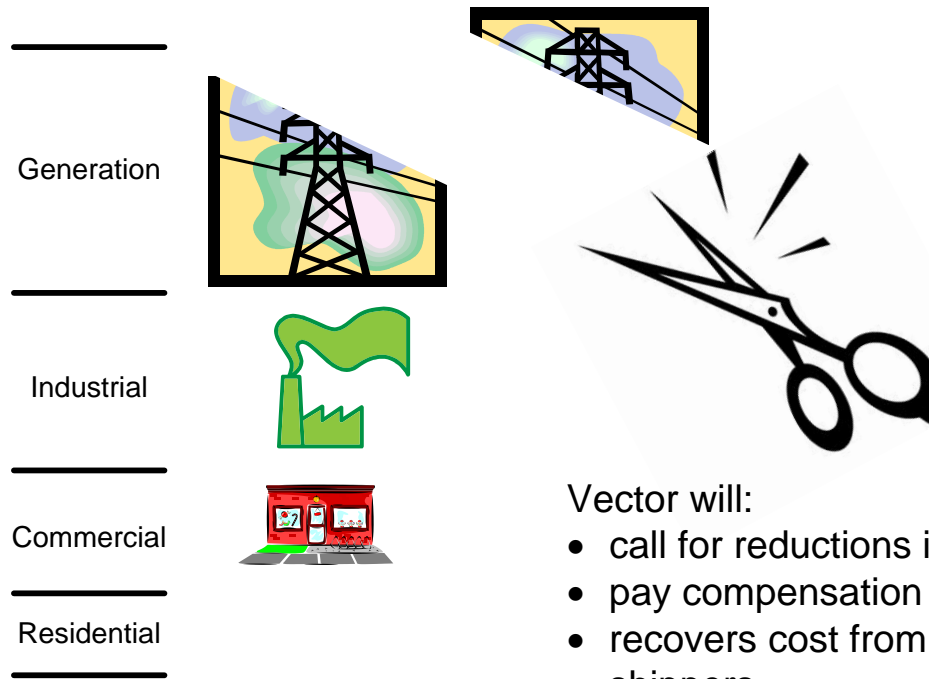
- **The suggested objective of this project is:**
 - To ensure that, in the short term, end users who are able to be supplied by existing pipeline capacity are not prevented from having an effective choice of supplier
 - The solution should not compromise achieving the Gas Act objectives in the longer term

Cap physical demand



Negotiate 'cash for cuts' agreements

Make up of demand as physical
constraint is approached



Vector will:

- call for reductions if necessary
- pay compensation
- recovers cost from other firm shippers

Possible transfer of customer scenario

